

Outline for Broker & Salesperson Required 2015/16 CE Module
Fair Housing, Agency Law, & Legal Update

Key: CL = Classroom, INT = Internet

I. Agency Law in MN

50 CL-minutes or 60 INT-minutes

A. Agency evolution in MN

- 1986 – basic disclosure on PA
- 1992 – major overhaul and base we use today

B Agency Terms

- Customer – Client
- Broker vs Agent vs. Facilitator Relationship to consumer

C Fiduciary Duties

- Obedience
- Loyalty
- Disclosure
 - Duty to disclose material facts to clients
 - Duty to disclose material fact to prospective buyers
- Confidentiality
 - Confidential information about price, terms, and motivation will still be kept confidential even in a dual agency situation
 - Facilitator: this is the only applicable fiduciary duty unless agreed otherwise
- Duty to Account
- Reasonable Care

D Relationships in MN

- Seller's Broker
- Buyer's Broker
- Dual-Agency
- Facilitator

E Contracts in MN Agency

- Relationships Form
 - first substantive contact with the consumer
- Listing Contract
- Buyer Representation Agreement (Exclusive/Non-Exclusive)
- Dual-Agency language
- Facilitator Services Agreement

II. RESPA

45 CL-minutes or 52 INT-minutes

A. What is RESPA

- How does it pertain to referral fees
- How does it affect affiliated business arrangements
- Consumer Affiliated Business Disclosure requirements

B. Marketing Services Agreements

- What are they
- How does RESPA apply to MSA's

C. The Loan Estimate form: NEW RESPA-TILA Integrated Disclosure

- Overview of new requirements

- Loan Estimate
- Delivery Requirements
- Tolerance Limitations
- Revisions and Corrections
- Closing Disclosure

III. Common Interest Ownership Properties

45 CL-minutes or 52 INT-minutes

A. Purpose and reason for statutes

- Statutes governing CIC's Minn. Stat. § 515A & 515B

B. Different types of properties

- Condominium
- Townhouse
- Cooperative
- Is the property part of a common interest community?
- Is the common interest community subject to the (MCIOA) Minnesota Common Interest Ownership Act
 - Excluded/exempt/election
- Unit and Auxiliary Units –
- Common element license and limited common elements allocated to a unit §515B.2-109(e)(1)

C. Disclosure Obligations

- Initial Sale
- Resale
- Failure to Disclose

D. Purchasers Right to Cancel

- Calculation of cancellation period
- Waiver of cancellation period

E. Amendments to Disclosure

IV. Fair Housing Laws and Tools

50 CL-minutes or 60 INT-minutes

A. History of Fair Housing Laws

- Federal Fair Housing Act
- Federal Fair Housing Amendments
- State Human Rights Act
- Local Government Fair Housing Statutes
- REALTOR® Code of Ethics

B. Protected Classes

1. Federal Fair Housing – 1968

- Race
- Color
- National Origin
- Religion

2. Fair Housing Amendments – 1972, 1988

- Sex/Gender
- Family Status
- Disabilities

3. MN Human Rights Act

- Creed - MN
- Marital Status - MN

- Sexual Orientation - MN
- Status with regard to Public Assistance – MN

C. Prohibited Actions

- Steering & Blockbusting
- Refusal to show or negotiate for housing
- Provision of different services or amenities

D. Resources for Working with First Time Buyers and Struggling Homeowners

1. First-Time Buyers – Minnesota’s Changing Demographic

- Definition of first-time buyers (Many programs consider 3 years)
- Demographic Info -- Next generation of buyers (Info from MN Housing)
- Pool of Available buyers (Info from Homeownership Opportunity Alliance)

2. Importance of Homebuyer Preparedness

- Firewall against future foreclosures
- Data on loan price/success (fewer defaults, lower interest rate)
- Smoother transaction for agent / Faster closing

3. Connecting For Success

- Minnesota Housing Finance Agency
- Minnesota’s Nonprofit Resources
 - Minnesota Homeownership Center
 - Homestretch
 - Homeownership Advisors Network
- How to connect with these resources

4. Adding Value to Your Business

- Affordable Loan Products (Matrix)
- Down Payment and Entry Cost Assistance Programs in Minnesota (DPR)
- Non-profit, free for distribution fact sheets and resources

5. Helping Struggling Homeowners

- Data (Numbers) on MN Foreclosure Crisis
- Foreclosure prevention counseling basics
- Connecting your clients to assistance

V. Review / Questions (Not more than 5 minutes as part of course.)

VI. Exam (Not more than 31-min/classroom or 37-min/Internet as part of course)

Course Description:

This course will provide real estate licensees with knowledge of Agency relationships and duties in Minnesota. Information will also be shared on RESPA, marketing services agreements and the new loan estimate form. Common Interest Ownership properties statutes will be covered, highlighting different types of properties, disclosure obligations, and rights. Additionally, fair housing laws and resources will be covered. *(This class meets the Agency and Fair Housing Minnesota CE requirements. This Module Also Satisfies the 1-Hour Broker Module Requirement.)*

Learning Objectives:

- Real Estate salespersons and brokers who attend this course will:
- Review agency relationship options
- Learn fiduciary duties to clients and customers as required in Minnesota

- Receive an update on RESPA rules and how RESPA applies to marketing services agreements
- Receive an update on the requirements under the new RESPA-TILA Integrated Disclosure form
- Review the Uniform Condominium Act and the Minnesota Common Interest Ownership Act, the different types of properties covered, disclosure obligations and other rights
- Learn about Fair Housing Laws, their history and protected classes
- Learn about prohibited actions under fair housing laws
- Receive resources for working with first time buyers and struggling homeowners

Examination: Course will include its own 20-question examination, chosen from an associated bank of 50 questions. The 70% passing score for the examination will be 14 correct answers. (6% of 3.75Hr = 31Min/Classroom or 37Min/Internet)

<p style="text-align: center;">This Module Satisfies ALL of the following: 1-Hour Fair Housing, 1-Hour Agency Law, and the 1-Hour Broker Module Requirement</p>
